

February 14, 1997

Re: Formats for March 3, 1997 Filings of Unbundled Bills Pursuant to D.P.U. 96-100 (App. I)

Dear Electric Company Representative:

In Electric Industry Restructuring, D.P.U. 96-100 (Appendix I) (December 30, 1996), the Department directed all electric companies to file unbundled rates on March 3, 1997. The Department directed each electric company to develop and submit a proposed billing format that separately identifies generation, transmission, distribution, and access charges. The Department also directed that the unbundled rates be revenue-neutral for the company as a whole, and for each rate class. Id. at 319-320. In clarification of these directives in D.P.U. 96-100, unbundled bills should also be revenue-neutral as to each customer. Additionally, tariffs to implement unbundled rates should be filed with a July 1, 1997 effective date so that unbundled bills may be issued to customers beginning in July.¹ The Department has also developed a format for the March 3 filings, described below.

In anticipation of implementing unbundled bills, Department staff have met with company personnel to discuss possible bill formats. Ideally, the Department would consider this transition

¹ As a general matter, we plan to complete implementing unbundled billing by August 30, 1997. However, we anticipate that it may be best to begin unbundled billing for a given company in a month in which there would be no changes to the rates (i.e., the fuel charge or a conservation charge). Moreover, it will be appropriate for some companies to implement unbundling on a "rolling" basis across several months. Other considerations may affect our decision regarding the implementation date. Therefore, while the filed tariffs should have a July 1, 1997 effective date, the actual effective date for the tariffs for each company will be determined in an Order addressing each company's unbundled tariff filing.

to unbundled billing an opportunity to implement bill formats that would be identical across companies. However, the practical limitations of cost and time appear to make this infeasible; therefore, the Department will not require bill formats to be identical across companies. Nonetheless, the Department does intend that they be as consistent as possible. Therefore, we are directing that each electric company submit with its March 3, 1997 filing a format for unbundled bills that is consistent with the criteria outlined below (and, generally, with the attached "Sample 1997 Electric Bill").

1. Each bill shall use a font size no smaller than nine point for any portion of the bill that is specified in the following criteria.
2. Each bill shall contain a "block" entitled "Cost of Electricity" that presents the Customer Charge, Distribution/Access Charge(s), Transmission Charge(s) and Generation Charge and Total Cost of Electricity (see attached Sample 1997 Electric Bill). Any charges for "per KWH" and "per KW" usage shall be "calculated" on the bill (for example, \$0.05 per KWH times 100 KWH equals \$5.00).
3. Each bill shall identify a Distribution/Access Charge(s). An electric company shall (a) separately identify these charges, or (b) combine the Access and Distribution Charge(s), provided that in every quarter (and coincident with changes to the fuel charge) the actual amount of the Access Charge is identified and explained on the bill, or in a separate bill insert.
4. Each bill shall separately identify a Transmission Charge.
5. Each bill shall separately identify a Generation Charge. The amount of the Generation Charge shall be (a) the amount under the first year of a Standard Offer Generation Rate as approved by the Department or contained in a restructuring settlement agreement that has been signed by the Attorney General and submitted to the Department for approval, or (b) \$0.0280/KWH.
6. Until the fuel charge is no longer applicable, each bill shall identify the exact amount of the fuel charge and explain that this charge has been included in the Generation and Distribution/Access Charge portion of the bill.
7. With the first two unbundled bills issued to a given residential or small commercial customer, each electric company shall issue an insert that compares a generic customer's bill under the old bill format to one that the generic customer would receive under the new unbundled format. This insert shall be submitted with each company's March 3, 1997 filing, for review and approval by the Department.
8. With the first two unbundled bills issued to a given residential and small commercial customer, each electric company shall issue an insert that contains a series of questions

and answers which will address the most frequently asked questions about the unbundled bills. This insert shall be submitted with each company's March 3, 1997 filing, for review and approval by the Department.

Be aware that it may be necessary to provide the following information on the bills on the date of retail access. Therefore, in keeping with the conclusions in D.P.U. 96-100, and in anticipation of the billing format that may be appropriate in a competitive market:

- (a) Each bill shall be designed to accommodate the name and telephone number of a competitive supplier.
- (b) Each bill shall be designed in a manner such that, if found appropriate by the Department, both the Transmission Charge and Generation Charge can be readily distinguished as charges for services provided by a competitive supplier.
- (c) Each bill shall be designed to accommodate a total of three lines for charges and two lines for messages from a competitive supplier. The two message lines shall be used to notify a customer that the competitive supplier is "on probation," or shall contain other such messages from the Department as appropriate.
- (d) Each bill shall be designed to accommodate a "box" containing notice of the fuel mix associated with the generation supply. Provision shall be made to state "Fuel Facts: Your electricity is generated from," and to explicitly identify the following: Nuclear -- xx%, Coal -- xx%, Oil -- xx%, Natural Gas -- xx%, Renewables -- xx%. The specific language and information will be determined through a collaborative effort (id. at 126-130).
- (e) Each bill shall be designed to accommodate a "box" containing notice of the emissions mix associated with the generation supply. Provision shall be made to state "Air Emissions Facts: Each of your KWH produces xx% above or below reference," and to explicitly identify the following: Sulfur Dioxides xxmg -- xx%, Oxides of Nitrogen xxmg -- xx%, Mercury xxmg -- xx%, Fine Particulates xxmg -- xx%, Carbon Dioxide xxmg -- xx%. The specific language and information will be determined through a collaborative effort (id.).

Your cooperation in developing and implementing bill formats consistent with these instructions is greatly appreciated. If you have questions regarding any of the above, please contact Claudine Langlois, Director of the Consumer Division, at (617-305-3631).

Sincerely,

John B. Howe, Chairman

Janet Gail Besser, Commissioner

cc: Service list in 96-100